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U.S. DEPARTMENT OF JUSTICE
 United States Attorney's Office
 District of Oregon
 Scott Erik Asphaug
 Acting United States Attorney

MEDFORD BRANCH
 310 West Sixth Street
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 (541) 776-3564

November 30, 2021

Edie Rogoway
 521 SW Clay Street
 Portland, OR 97201

Re: *United States v. Gevorg Tashchyan*
 Plea Agreement Letter

Dear Counsel:

1. **Parties/Scope:** This plea agreement is between this United States Attorney's Office (USAO) and defendant, and thus does not bind any other federal, state, or local prosecuting, administrative, or regulatory authority. This agreement does not apply to any charges other than those specifically mentioned herein.
2. **Charges:** Defendant agrees to plead guilty to a one-count Information charging Misprision of a Felony in violation of Title 18, United States Code, Section 4.
3. **Penalties:** The maximum sentence is 3 years' imprisonment, a fine of \$250,000 or twice the gross pecuniary gains or losses resulting from the offense if such amount exceeds \$250,000, 1 year of supervised release, and a \$100 fee assessment. Defendant agrees to pay the fee assessment by the time of entry of guilty plea or explain to the Court why this cannot be done.

Defendant understands that because of defendant's United States citizenship status, defendant's guilty plea and conviction make it practically inevitable and a virtual certainty that defendant will be removed or deported from the United States. Defendant acknowledges and agrees that defendant's attorney has explained this and that defendant still wants to plead guilty.

4. **Dismissal/No Prosecution:** The USAO will move at the time of sentencing to dismiss any remaining counts against defendant, including the Indictment in Case No. 6:21-CR-00214-MC. The USAO further agrees not to bring additional charges against defendant in the District of Oregon arising out of this investigation, known to the USAO at the time of this agreement.

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5. **Elements and Factual Basis:** In order for defendant to be found guilty of Count One of the Information, the government must prove the following elements beyond a reasonable doubt:

First, a federal felony was committed, specifically Conspiracy to Commit Bank Fraud in violation of 18 U.S.C. § 1349;

Second, the defendant had knowledge of the commission of that felony;

Third, the defendant failed to notify an authority as soon as possible; and

Fourth, the defendant did an affirmative act, as charged, to conceal the crime.

The elements of the conspiracy are as follows:

First, two or more persons, in some way or manner, agreed to try to accomplish a common and unlawful plan to commit bank fraud, specifically, from in or about November 2016 through in or about June 2018, in the District of Oregon, defendants knowingly conspired and agreed with others, known and unknown, to violate Title 18, United States Code, Section 1349, that is, to execute a scheme and artifice to defraud the Victim Financial Institutions and to obtain money, funds, assets and other property owned by, and under the custody and control of the Victim Financial Institutions by means of materially false and fraudulent pretenses, representations, and promises; and;

Second, Defendant knew the unlawful purpose of the plan and willfully joined in it.

Defendant has fully discussed the facts of this case and any potential defenses with defense counsel. Defendant has committed each of the elements of the crime to which defendant is pleading guilty and admits there is a factual basis for defendant's guilty plea. The following facts are true and undisputed:

The government's investigation uncovered a credit card "bust-out" fraud perpetrated by individuals residing in the Corvallis, Oregon area. A credit card "bust-out" refers to a fraud scheme in which the perpetrators obtain credit cards for the purpose of making purchases and running up large balances with no intent to pay the amount owed. Bust-out schemes often include making initial payments on the credit cards in order to make the cards appear legitimate, often leading to an increase in the credit limit. After making credit card purchases, payments are made to the cards from co-conspirator bank accounts that reduce the outstanding balances,

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allowing for additional purchases. After numerous purchases and payments are made, the co-conspirators report to their financial institution that the payments made to the cards were not authorized. The banks seek and obtain reimbursement from the card company and deposit those funds back into the account of the co-conspirator. No further payments are made on the credit cards, which results in losses to the financial institutions that are often substantially greater than the amount of the credit limit.

Proceeds from the credit card bust-out were used to establish and operate a marijuana grow and a state-licensed marijuana retail sales business in Corvallis, Oregon, Corvallis Cannabis Club. Some of the marijuana grown in Corvallis has been transported and sold outside the state of Oregon.

It was a part of the conspiracy that co-conspirators fraudulently obtained credit card accounts at federally insured institutions, including those listed in the Information. In addition to their own accounts, co-conspirators opened credit card accounts using stolen and fictitious identities. The co-conspirators used the fraudulently obtained credit cards for their personal benefit, including using the funds on expensive jewelry, clothing, gambling, vacations, as well as establishing and operating the large marijuana grows and covering the operating expenses of Corvallis Cannabis Club.

It was part of the conspiracy that co-conspirators used co-conspirator and other bank accounts to pay down balances on the fraudulently obtained credit cards. As part of the conspiracy, co-conspirators called the banks and reported that the payments made to those credit cards were fraudulent. After the co-conspirators reported the alleged fraudulent nature of these transactions, the banks clawed back the previous payments made to the credit card companies and credited those funds back to the bank accounts, resulting in losses to the financial institutions that were substantially greater than the amount of the credit limit.

Defendant admits that he opened bank accounts and credit cards that were used in the bank fraud scheme. Defendant knew the bank accounts were being used to facilitate a bank fraud conspiracy. Defendant admits he did not contact any authorities and affirmatively used methods to avoid detection of law enforcement and conceal the criminal activity.

6. **Sentencing Factors:** The parties agree that the Court must first determine the applicable advisory guideline range, then determine a reasonable sentence considering that range and the factors listed in 18 U.S.C. § 3553(a). Where the parties agree that sentencing factors apply, such agreement constitutes sufficient proof to satisfy the applicable evidentiary standard.

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7. **Relevant Conduct:** The parties agree that defendant's relevant conduct pursuant to USSG § 2X4.1 is a Base Offense Level of 4, prior to adjustments.

8. **Acceptance of Responsibility:** Defendant must demonstrate to the Court that defendant fully admits and accepts responsibility under USSG § 3E1.1 for defendant's unlawful conduct in this case. If defendant does so, the USAO will recommend a three-level reduction in defendant's offense level (two levels if defendant's offense level is less than sixteen). The USAO reserves the right to change this recommendation if defendant, between plea and sentencing, commits any criminal offense, obstructs or attempts to obstruct justice as explained in USSG § 3C1.1, or acts inconsistently with acceptance of responsibility as explained in USSG § 3E1.1.

9. **Sentencing Recommendation:** The USAO will recommend probation as long as defendant demonstrates an acceptance of responsibility as explained above.

10. **Additional Departures, Adjustments, or Variances:**

The USAO agrees not to seek any upward departures, adjustments, or variances to the advisory sentencing guideline range, or to seek a sentence in excess of that range, except as specified in this agreement. Defendant agrees not to seek any downward departures, adjustments, or variances to the advisory sentencing guideline range under the sentencing guidelines provisions, or under 18 U.S.C. § 3553, or to seek a sentence below that range, except as specified in this agreement.

11. **Waiver of Appeal/Post-Conviction Relief:** Defendant knowingly and voluntarily waives the right to appeal from any aspect of the conviction and sentence on any grounds, except for a claim that: (1) the sentence imposed exceeds the statutory maximum, or (2) the Court arrives at an advisory sentencing guideline range by applying an upward departure under the provisions of Guidelines Chapters 4 or 5K, or (3) the Court exercises its discretion under 18 U.S.C. § 3553(a) to impose a sentence which exceeds the advisory guideline sentencing range as determined by the Court. Should defendant seek an appeal, despite this waiver, the USAO may take any position on any issue on appeal. Defendant also waives the right to file any collateral attack, including a motion under 28 U.S.C. § 2255, challenging any aspect of the conviction or sentence on any grounds, except on grounds of ineffective assistance of counsel, and except as provided in Fed. R. Crim. P. 33 and 18 U.S.C. § 3582(c)(2). In the event that defendant's conviction under this agreement are vacated, the government may reinstate and/or file any other charges, and may take any position at a resentencing hearing, notwithstanding any other provision in this agreement.

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12. **Court Not Bound:** The Court is not bound by the recommendations of the parties or of the presentence report (PSR) writer. Because this agreement is made under Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, defendant may not withdraw any guilty plea or rescind this plea agreement if the Court does not follow the agreements or recommendations of the parties.

13. **Full Disclosure/Reservation of Rights:** The USAO will fully inform the PSR writer and the Court of the facts and law related to defendant's case. Except as set forth in this agreement, the parties reserve all other rights to make sentencing recommendations and to respond to motions and arguments by the opposition.

14. **Breach of Plea Agreement:** If defendant breaches the terms of this agreement, or commits any new criminal offenses between signing this agreement and sentencing, the USAO is relieved of its obligations under this agreement, but defendant may not withdraw any guilty plea.

If defendant believes that the government has breached the plea agreement, defendant must raise any such claim before the district court, either prior to or at sentencing. If defendant fails to raise a breach claim in district court, defendant has waived any such claim and is precluded from raising a breach claim for the first time on appeal.

15. **Memorialization of Agreement:** No promises, agreements, or conditions other than those set forth in this agreement will be effective unless memorialized in writing and signed by all parties listed below or confirmed on the record before the Court. If defendant accepts this offer, please sign and attach the original of this letter to the Petition to Enter Plea.

16. **Deadline:** This plea offer expires if not accepted by December 30, 2021 at 5:00p.m.

Sincerely,

SCOTT ERIK ASPHAUG
Acting United States Attorney

/s/ Gavin W. Bruce
GAVIN W. BRUCE
Assistant United States Attorney

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I have carefully reviewed every part of this agreement with my attorney. I understand and voluntarily agree to its terms. I expressly waive my rights to appeal as outlined in this agreement. I wish to plead guilty because, in fact, I am guilty.

9.20.22

Signed on behalf of client:
Edie Rogoway

I represent the defendant as legal counsel. I have carefully reviewed every part of this agreement with defendant. To my knowledge, defendant's decisions to make this agreement and to plead guilty are informed and voluntary ones.

9.20.22

Date

Edie Rogoway
Attorney for Defendant

I fully and accurately translated this agreement to the above-named defendant as the interpreter in this case. I fully and accurately interpreted discussions between the defendant and the attorney.

Date

Interpreter (if necessary)